



CONGRESS OF THE UNITED STATES

# *JOINT ECONOMIC COMMITTEE*

CHAIRMAN JIM SAXTON

---

---

## PRESS RELEASE

---

---

For Immediate Release  
May 25, 2006

### **U.S. ECONOMY SURGES IN FIRST QUARTER**

Press Release #109-76  
Contact: Christopher Frenze  
Executive Director  
(202) 225-3923

**WASHINGTON, D.C.** – The 5.3 percent economic growth rate reported today for the first quarter of 2006 shows that the U.S. expansion remains robust, Chairman Jim Saxton said today. The first quarter growth rate was revised upward from an earlier estimate of 4.8 percent.

“The figures out today show that the U.S. economy is firing on all cylinders and is the envy of the world,” Saxton said. “Among the reasons for the healthy growth is the strength of equipment and software investment.

“The swing in investment is critical to understanding the improvement in economic performance in recent years. In the wake of the bursting of the stock market bubble in 2000, investment declined, becoming a drag on economic growth. After the 2003 investment tax incentives were proposed and enacted, investment rebounded. Whereas investment had been a negative factor in the economy, it then became an important source of economic strength.

“As the Federal Reserve has noted, the economy has performed well in recent years, and the outlook remains positive,” Saxton concluded.

###